

## (September 29, 2008) REP. LIPINSKI STATEMENT ON HIS OPPOSITION TO THE \$700 BILLION BAILOUT BILL

[Washington, DC] Today Congressman Dan Lipinski released the following statement regarding his "no" vote for H.R. 3997, the Emergency Economic Stabilization Act of 2008:

"The people of the Third District are hardworking Americans who pay their bills, pay their taxes, and try to do the right thing. But in these tough economic times they are working more and finding it increasingly difficult to make ends meet because of high gas prices, skyrocketing health care costs, and stagnating wages.

"And now American financial markets are in turmoil. Multimillionaire executives on Wall Street created a system of risky financial instruments and made millions of dollars. Now that some financial institutions are failing, American taxpayers are being called upon to pay for these terrible decisions and irresponsible behavior.

"I feel there is a need to help stabilize the financial markets so we can keep the problems from spreading to the rest of the economy and further threatening American families. But when the Bush Administration announced its plan last week to give a \$700 billion blank check to Wall Street I knew it was not the right thing to do. That proposal had no accountability, no oversight, no regulatory reform, and put far too many taxpayer dollars at risk. And it did not hold those who created the crisis responsible for their actions.

"That is why I cosigned a letter to Speaker Pelosi calling for specific changes to improve the Bush proposal — changes that I believed would bring more accountability and oversight and implement real reform. These would include provisions that limit executive compensation and golden parachutes, prohibit funds from bailing out foreign banks, require strong independent supervision and oversight, and significantly lower the \$700 billion risk to taxpayers.

"A \$700 billion bailout would drive our national debt over \$10 trillion. I do not believe our children and grandchildren should be burdened with an additional \$700 billion in debt. I stated that any legislation should include provisions that will ensure that any proceeds and profits will be used to first repay American taxpayers. If the American taxpayer is bailing out these companies, the American taxpayer should be given a real stake in these companies so that they can share in future profits.

“Over 400 prominent economists from some of the leading universities in the U.S. — including Nobel Prize winners — have expressed great concern about moving too quickly and passing a potentially faulty plan. They also pointed out that investors who took the risk to earn profits should be on the hook to bear the losses. Dr. Alan Blinder, an Economics Professor at Princeton University who is also the former Vice-Chairman of the Board of Governors of the Federal Reserve, has said he disagreed that a bailout package needed to be done this week and pointed out the importance of doing it right.

“After having read this 110 page bill, I do not believe it is right. While it does include significant improvements — improvements that I requested — I still have concerns with the hastiness of the process and the substance of the bill. I am concerned with the potential loopholes — loopholes for excessive CEO pay, loopholes that will allow payments to foreign banks, loopholes to avoid strong independent oversight, loopholes to prevent real reform of the financial industry, and loopholes that would result in American taxpayers not getting repaid. The Secretary of the Treasury is simply given too much power and can set aside the accountability provisions in this bill. These are important issues that I feel have not been adequately addressed in this legislation.

“We should not have rushed to action. We should look at the root of the problem and try to solve it. We should carefully consider the ramifications of this proposal. We should act prudently and responsibly. We should do it right, so we don’t leave American taxpayers on the hook for \$700 billion worth of bad debt and so we don’t let this happen again. And let’s make sure those who are liable for the mess are held responsible for creating it.

“While the bill we voted on today is much improved from the one we got from President Bush and Secretary Paulson, I simply believe we need a better bill. That is why I could not vote to support a bill on such an important and significant issue when I know we could and can do better.

“We should have done it right the first time. The American people deserve no less.

“Now that this bill has failed to pass the House, we have a new opportunity to work on a new bill. Let us move prudently and rationally and work on a new and different bill that will do the right thing by the American people.”

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